

GMR
M A R K E T I N G
Gary M. Reynolds & Associates, Inc.

November 16, 1995

Mr. Kenneth Kennedy
Mako's
301 South Street
Philadelphia, PA 19147

Re: **PARLIAMENT Party Zone '95**

Dear Kenneth:

In confirmation of our discussions, the **PARLIAMENT Party Zone '95 Program** (the "Program") will be conducted at Mako's (the "Club") on November 30, December 6 and 14 from 10:30pm - 11:30pm.

1. Responsibilities

- (A) In connection with the Party Zone, the club will:
- (a) Provide cigarette sales throughout the period of the program:
 - (i) Allow Gary M. Reynolds & Associates, Inc. ("GMR") to provide a cigarette person to sell discounted Parliament Lights during the promotion;
 - (ii) Sell Parliament Lights for the duration of the program via the club's normal method of retail sale;
 - (iii) Provide a copy of the club's tobacco retail permit to GMR for record purposes only.
 - (b) Provide primary signage and lighting opportunities within the club, which will include:
 - (i) An area at the entrance to the club at which **PARLIAMENT** banners and lighting technologies will be placed;
 - (ii) Premium areas throughout the club while the Party Zone is there.
 - (c) Designate the above mentioned dates as exclusive **PARLIAMENT** promotion nights. No other sponsored promotions will be conducted during the stated hours without the express written consent of GMR.
 - (d) Ensure that club personnel, who are 21 years of age or older, to include bar and waitstaff, will wear **PARLIAMENT** identified clothing during promotional hours.

- (e) Provide prominent parking space for **PARLIAMENT** vehicle.
 - (f) Instruct Band and/or DJ to work with **PARLIAMENT** Party Zone Supervisor.
 - (g) Utilize all bar materials that GMR provides, specifically brew cups, coasters, beverage napkins and bar organizers.
- (B) In connection with the Program, GMR will:
- (a) Identify customers who are smokers and 21 years of age or older with wristbands. Those customers will become eligible for special promotional considerations at the club.
 - (b) Provide the club with bar items including cups, coasters, ashtrays, napkins, message boards and bar organizers.
 - (c) Provide bar and waitstaff, 21 years of age and older, with **PARLIAMENT** identified clothing to wear during promotional hours.
 - (d) Provide promotional merchandise for distribution to smokers 21 years of age and older through periodic drawings. Merchandise to include beach towels, t-shirts, caps, etc.
 - (e) Provide a cigarette person to sell Parliament Lights at a discounted rate during promotional hours.
 - (f) Provide VIP Cards to consumers who have identified themselves as smokers and have purchased 2 or more packs of Parliament Lights.
 - (i) VIP Cards can be utilized for club discounts, watersports discounts and 10 free long distance calling minutes.
 - (g) Provide Party Patrol personnel to manage the Party Zone promotional activities.
 - (h) Provide Polaroid photographs free of charge to wristbanded patrons.

2. Sponsorship Payment

For the rights and the permissions granted under this Agreement, GMR will pay the club a total of \$300, of which \$150 will be paid within 10 days of complete execution of this Agreement and submission of an invoice. The balance of \$150 will be paid upon program completion and submission of an additional invoice.

3. Term and Termination

The term of this Agreement will commence as of the signing by both parties and will continue through December 17, 1995.

4. Confidentiality

The club, its employees and agents will hold strictly confidential all information and materials provided by GMR to the club or created by the club in performing the Agreement. The club will not use or disclose the information and materials to third parties without the written consent of an authorized representative of GMR. Upon termination or expiration of the Agreement, or within thirty days thereafter, the club will return all materials to GMR. The club obligation to maintain the confidentiality of all information obtained from GMR will survive the termination of the Agreement.

5. Exclusivity

During the term of the Program, the club will not engage in the activities contemplated in the Agreement or similar activities in connection with cigarettes or tobacco products of any other company or entity without prior written consent of GMR, which will not be unreasonably withheld.

6. Indemnity

The club indemnifies and holds harmless GMR and Philip Morris Incorporated from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of the club.

7. Insurance

If requested by GMR, the club will provide GMR with certificates of insurance and, if requested by GMR, copies of the underlying policies relating to the certificates, issued by insurers acceptable to GMR and Philip Morris and evidencing comprehensive general liability and host liquor liability in an amount suitable to GMR and Philip Morris. The insurance will be maintained by the club throughout the term of the Agreement.

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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing the enclosed copies of this letter and returning one countersigned copy to GMR Marketing.

Very truly yours,

GARY M. REYNOLDS & ASSOCIATES, INC.

BY: Gary M. Reynolds
Gary M. Reynolds

Title: President

DATE: 12-8-95

**ACCEPTED AND AGREED TO AS
OF THE DATE OF THIS LETTER:**

MAKO'S

By: [Signature]

Filing Status: S. CORP

Taxpayer ID No. 232589899

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